GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3325
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Economic Impact of Fake Currency
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Will the Minister of FINANCE be pleased to state:

(a) whether the circulation of forged currency notes particularly through banking channel has shown an upward trend and if so, the details of the seizure made by the Government/Reserve Bank of India (RBI) thereof during the last three years and the current year;
(b) whether the steps taken by the Government to curb circulation of fake currency notes have proved to be inadequate, if so, the extent to which unabled circulation of fake currency has impacted the company;
(c) whether a Committee headed by Shri Shiabhadra Banerjee to review the security features for currency notes has submitted its report and if so, the details thereof; and
(d) the action taken by the Government to tackle the fake currency menace including setting up of a directorate of currency?

Answer

The Minister of State for Finance:

(a) & (b) : Recovery and seizure of Fake Indian Currency Notes (FICN) reported by Reserve Bank of India (RBI) and National Crime Records Bureau (NCRB) do indicate that counterfeit/fake currency notes are being circulated in the country. As per available data, FICN detected through banking channel and seized in the country during the last three years and the current year is as follows:

Year	Number of FICN detected through banking channel (In pcs.)	Number of Notes Seized (in Pcs.)
2012	5,00,024	5,92,016
2013	4,81,670	3,65,296
2014	5,72,913	2,28,615
2015 (jan.-sept., 2015)	4,71,307	1,86,572

(c) : The Committee to review procedures for the acquisition of security sensitive items required for currency and other security products and their indigenization, headed by Shri Shilabhadra Banerjee, has submitted its report in March 2010. The Committee recommended creation of Directorate of Currency for review and acquisition of security features; review of procurement manual of Security Printing and Minting Corporation of India Limited (SPMCIL)/ Bharatiya Reserve Bank Note Mudran Private Limited(BRBNMPL); indigenization of banknote paper and security features; single agency at the national level to co-ordinate the actions of intelligence, law enforcement and investigating agencies engaged in the task of countering the menace of FICN; and launching a sustained and wide spread multimedia campaign, for educating the public by the Reserve Bank of India (RBI).

(d): The Ministry of Finance, Ministry of Home Affairs, Reserve Bank of India, Security and Intelligence Agencies of the Centre and States are working in tandem to thwart the illegal activities related to Fake Indian Currency Note (FICN). An FICN Coordination Group (FCORD) has been formed in the Ministry of Home Affairs to share the intelligence/information amongst different security agencies of States/Centre to counter the menace of agencies to effect more seizures. The issue has also been raised in international multilateral fora constantly. RBI has also initiated several measures for generating public awareness, conducting training programs for employees/officers of banks and streamlining the process of reporting and detection of counterfeit notes.
Further, in order to stay ahead of the counterfeiters, Government has recently introduced revised numbering pattern in all denominations of banknotes. RBI has issued Press Release in this regard on June 25, 2015.

Government in consultation with RBI, has also initiated the process of procurement of upgraded/new security features for a new series of banknotes. RBI has issued a PQB for supply of Security Features for Indian banknotes on June 19, 2015.
A post of Director General in the rank of Additional Secretary in the Directorate of Currency has been created.